

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA**

IN RE: FEDLOAN STUDENT LOAN SERVICING LITIGATION	MDL No. 2:18-md-02833-NIQA
THIS DOCUMENT RELATES TO: <i>ALL ACTIONS</i>	HON. NITZA QUINONES ALEJANDRO

FEDERAL DEFENDANTS’ SECOND SUPPLEMENTAL MEMORANDUM OF LAW

In accordance with the Court’s August 27, 2024 Order (ECF No. 114), the United States Department of Education and Secretary of Education Miguel Cardona (“Federal Defendants”) submit this supplemental memorandum of law “addressing Plaintiffs’ challenges to Defendants’ mootness arguments with respect to Plaintiffs Arielle Anderson, Tanuja Goulet Arany, Amanda Leone, Andrea Davis, Arianne Gallagher, and Meagan Pryor.”

As the Court is aware, the Federal Defendants have moved to dismiss all claims against them, *see* ECF No. 61, and have further suggested that even if those claims were viable when originally pled, many of them are now moot, *see* ECF Nos. 80, 112. In their recent supplemental filing, Plaintiffs respond that at least some of their claims have not been mooted. *See* ECF No. 113. The Federal Defendants will address, in turn, the six named Plaintiffs as to whom the Court has ordered further briefing.

Arielle Anderson, Tanuja Goulet Arany, and Amanda Leone. Although Ms. Anderson, Ms. Arany, and Ms. Leone have all earned additional months of progress toward loan forgiveness under their Income Driven Repayment (“IDR”) Plans, and Ms. Anderson and Ms. Arany have also received credit for additional qualified payment counts towards loan forgiveness under the Public

Service Loan Forgiveness (“PSLF”) or Temporary Expanded PSLF Programs, their loans have not yet met the qualifications for forgiveness. *See* ECF No. 112 at 2.

Ms. Anderson’s allegation that the Pennsylvania Higher Education Assistance Agency (“PHEAA”) “placed [her] on the Standard Repayment Plan and capitalized approximately \$15,000 in accrued interest for purportedly failing to timely recertify her IDR Plan,” Am. Compl. ¶ 27, ECF No. 49, does not support any justiciable claim against the Federal Defendants for the reasons set forth in their motion to dismiss. Nor does Ms. Arany’s allegation that “PHEAA did not timely process [her] IDR Plan Request and supporting documentation,” but “instead placed [her] account into forbearance status, causing \$22,707.56 of accrued interest to capitalize.” *Id.* ¶ 35. And Ms. Leone’s allegation that “\$2,270.35 of accrued interest capitalized on June 1, 2016 after [she] submitted an IDR request,” *id.* ¶ 126, suffers from the same failings. But the Federal Defendants do not suggest that such claims, if adequately alleged and within this Court’s jurisdiction, have been mooted by subsequent events.

Andrea Davis and Arianne Gallagher. Because the balances of Ms. Davis’s and Ms. Gallagher’s federal student loans have been forgiven, *see* ECF No. 112 at 1–2, their claims for loan forgiveness are moot. Although Plaintiffs contend that “Defendants have not shown that they provided these Plaintiffs . . . with refunds for payments made after the effective date of the forgiveness,” ECF No. 113 at 3, they do not actually allege that any such unrefunded overpayments are outstanding, and Ms. Davis’s and Ms. Gallagher’s student loan files indicate that they did not make any payments after the dates on which their loan forgiveness was made effective, and thus are not owed any refunds. *See* ECF No. 112-2 at 2, 10–11, 18–19 (Ms. Davis); *id.* at 26, 38, 46 (Ms. Gallagher). Plaintiffs’ contention that Ms. Davis and Ms. Gallagher are owed refunds of “overpayments made as a result of delayed forgiveness and improper capitalization of interest,”

ECF No. 113 at 3, does not support any justiciable claim against the Federal Defendants for the reasons set forth in their motion to dismiss. But the Federal Defendants do not suggest that such claims, if adequately alleged and within this Court's jurisdiction, have been mooted by subsequent events.

Meagan Pryor. Because Ms. Pryor's student loans were paid in full before the Amended Complaint was filed, she has no live claim for loan forgiveness. *See* Bulman Decl., ECF No. 112-1 at ¶ 13. For the reasons set forth by the Federal Defendants in their pending motion to dismiss, Ms. Pryor cannot receive relief on her claims about improper capitalization of interest. But the Federal Defendants do not suggest that such claims, if adequately alleged and within this Court's jurisdiction, have been mooted by subsequent events.

Dated: September 9, 2024

Respectfully submitted,

BRIAN M. BOYNTON
Principal Deputy Assistant Attorney General

JACQUELINE C. ROMERO
United States Attorney

KIRK T. MANHARDT
Director, Commercial Litigation Branch

MICHAEL J. QUINN
Senior Litigation Counsel,
Commercial Litigation Branch

MARCIA BERMAN
Assistant Branch Director,
Federal Programs Branch

/s/ James Bickford
JAMES BICKFORD
TERRANCE A. MEBANE
United States Department of Justice
Civil Division
1100 L Street, NW
Washington, DC 20530
Telephone: (202) 305-0612
james.bickford@usdoj.gov
terrance.a.mebane@usdoj.gov

Counsel for the United States of America